

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6167

BILL NUMBER: HB 1008

NOTE PREPARED: Nov 22, 2011

BILL AMENDED:

SUBJECT: Wind turbines.

FIRST AUTHOR: Rep. Moseley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Establishes the Hoosier heritage innovative industry loan fund (fund). Provides that the fund is administered by the Indiana economic development corporation (IEDC). Provides that the IEDC board may make a loan from the fund to an applicant to establish a facility in Indiana that manufactures or fabricates wind turbines using steel made in the United States (wind turbine facility). Provides that a loan from the fund is interest free and may be for an amount up to \$1,000,000. Provides that the term of a loan from the fund may not exceed 20 years. Transfers \$1,000,000 from the Indiana twenty-first century research and technology fund to the fund. Provides that a taxpayer that establishes a wind turbine facility in Indiana may be eligible for a reduced adjusted gross income tax rate for the first two taxable years that the wind turbine facility is in operation. Provides that a taxpayer must be approved by the IEDC to receive the reduced adjusted gross income tax rate for income derived from the wind turbine facility. Provides that the reduced tax rate equals: (1) 5% of the adjusted gross income derived from the wind turbine facility if the taxpayer is a corporation; or (2) 2.4% of the adjusted gross income derived from the wind turbine facility if the taxpayer is an individual or pass-through entity. Provides that the IEDC must receive competing bids from two different applicants to establish a wind turbine facility in order for the IEDC to approve a reduced adjusted gross income tax rate. Allows the IEDC to award an additional economic development for a growing economy (EDGE) tax credit to a wind turbine facility. Provides that the additional tax credit may not exceed 1.6% of the wages attributable to the applicant's project. Provides that the duration of the credit may not be more than two taxable years. Provides that in order for an applicant to qualify for the additional tax credit the applicant must: (1) meet the existing requirements to receive an EDGE tax credit; (2) use steel made in the United States to manufacture or fabricate the wind turbines or wind turbine components; and (3) pay employees an average wage that exceeds the average wage of an employee in the county where the wind turbine facility is located by at least 10%. Provides that in order to award an additional EDGE credit, the IEDC must receive at least two competing bids to establish a wind turbine facility from at least two different

applicants.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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